GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:845
ANSWERED ON:19.07.2002
CASES UNDER FERA
VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

(a) whether the Foreign Exchange Regulation Act (FERA), 1973 expired on 31 May, 2002;

(b) if so, whether a number of cases of serious nature being dealt with under FERA are closed as a result thereof;

(c) if so, the number of such cases;

(d) whether fresh charge sheets have been filed and the prosecutions launched against the persons/ companies involved;

(e) if so, whether these cases are now being dealt with under the Foreign Exchange Management Act,(FEMA) 2002; and

(f) if so, the details thereof

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) : By virtue of the provisions of sub-sections (3) and (4) of section 49 of the Foreign Exchange Management Act, 1999, the Foreign Exchange Regulation Act (FERA), 1973 expired on 31st May, 2002.

(b) & (c) : No case, whether of serious nature or otherwise, which was under investigation in accordance with the provisions of the FERA, was closed by the Enforcement Directorate merely because of the expiry of the Act on 31st May, 2002. All the cases were disposed of in accordance with the provisions of the FERA after due conclusion of the investigations.

(d): Under the provisions of the FERA, prosecution could be launched under section 56 or section 57 of the Act. In all fit cases, prosecutions were launched by filing complaints under the aforesaid provisions of the FERA up to the end of the sun-set period, i.e., 31st May, 2002. In addition, Show Cause Notices under sections 50 and 51 of the Act were issued

(e) & (f) : In view of aforesaid position, no need subsists to deal with the cases of violation of the provisions of the FERA, 1973 under the provisions of the Foreign Exchange Management Act, 1999. â€¦